GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:47
ANSWERED ON:17.02.2006
GROWTH OF TEXTILE SECTOR
Mandal Shri Sanat Kumar

Will the Minister of TEXTILES be pleased to state:

(a)Whether India is fast emerging as a textile hub for the European Union and the United States;

(b) If so, the details thereof; and

(c) The steps taken by the Indian Government to utilise these opportunities available in textile sector in the above countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a)&(b)According to various studies, India will carve out a larger share of European Union and the United States markets in the post quota regime. During January-September 2005, textile and clothing imports by the United States from India increased by 25.17% as compared to the corresponding period of previous year. Similarly, during January-September 2005, textile and clothing imports by the European Union from India increased by 19.91% as compared to the corresponding period of previous year.

(c)Government has been taking a number of steps from time to time to support the indigenous textile industry to utilise opportunities available in textile sector. Some of the important initiatives taken are:

i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

iii) The Technology Upgradation Fund Scheme (TUFS) has been in operation since 1999 to facilitate the modernization and technological upgradation of the sector.

iv) To augment the availability of quality raw material at a competitive price, the Government launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernisation of ginning & pressing sector.

v) With the objectives of imparting a focused thrust to set up apparel units of international standards and upgrading infrastructure facilities at important textile centres, the Government had launched the Apparel Park for Exports Scheme (APES), and Textile Centre Infrastructure Development Scheme

(TCIDS). Under these two schemes 30 projects have been sanctioned with an estimated support from Government of India of Rs. 462.50 crore. However, after reviewing the implementation of these two schemes, a new scheme, namely, Scheme for Integrated Textile Parks has been launched by merging the two schemes. This scheme is based on Public-Private Partnership (PPP), and would equip the industry with world-class infrastructure facilities for setting up their textile units to meet international environmental and social standards. Government of India support under the scheme by way of grant or equity shall be limited to 40% of the project cost, subject to a ceiling of Rs. 40 crore.

vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.

vii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

viii) National Institute for Fashion Technology (NIFT) and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

ix) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.